(d) and (e) The Report has used the criterion of externality to classify the public services provided by Government. Any such classification is somewhat subjective and the proposed policy on subsidies, including prioritization of sectors for levels of subsidisation would be evolved after due process of deliberations with various stakeholders.

Introduction of VAT

2821. SHRI RAVULA CHANDRA SEKAR REDDY:
SHRI S. ANBALAGAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Value Added Tax has been introduced from 1st April as scheduled;

(b) if so, the details thereof including the States and Union Territories where the VAT has been implemented;

(c) the benefits to be accrued to the people and Government as a result of implementation of VAT;

(d) whether some States have refused to implement the VAT;

(e) if so, the details thereof and the reasons therefor, State-wise; and

(f) the steps proposed to be taken by the Central Government to solve the problems faced by the States in the implementation of VAT?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) : (a) and (b) Value Added Tax has been introduced from 1st April, 2005 in many States/UTs. A statement indicating the status of implementation of VAT by States/UTs is annexed. (*See* below)

(c) VAT is a simple, transparent, multi-stage tax with input tax credit, which eliminates cascading of taxes and no consequent price escalation which is beneficial to common public. Further, as decided by the Empowered Committee, it is expected that a number of State level taxes on purchase or sales of goods like State sales tax, turnover tax, purchase tax, additional sales tax, surcharge, entry tax (not in lieu of octroi) will be sub-sumed in VAT. Hence, VAT will decrease multiplicity of taxes.

(d) and (e) A statement indicating the status of implementation of VAT by States/UTs is annexed.

(f) VAT presently being implemented by States is a State subject. The Central Government shall contiune to play the role of a facilitator to solve the problems, if any, faced by the States in implementation of VAT.

Statement

Status of Implementation of VAT by States/UTS

(As on 15 April, 2005)

Sl. No.	Name of State/UT	Status
1.	Haryana	VAT introduced earlier w.e.f 01 April 2003.
2.	Andhra Pradesh	VAT introduced earlier w.e.f 01 April 2005.
3.	West Bengal	
4.	Kerala	
5.	Karnataka	
6.	Orissa	
7.	NCT of Delhi	
8.	Tripura	
9.	Bihar	
10.	Arunachal Pradesh	
11.	Sikkim	
12.	Punjab	
13.	Goa	
14.	Mizoram	
15.	Nagaland	
16.	Dadra and Nagar Haveli	
17.	Daman and Diu	
18.	Jammu and Kashmir	
19.	Manipur	
20.	Maharashtra	
21.	Himachal Pradesh	
22.	Andaman & Nicobar Islands	These UTs have no sales tax/VAT
23.	Lakshadweep	

Sl. No.	Name of State/UT	Status
24.	Assam	VAT yet to be implemented
25.	Meghalaya	
26.	Chandigarh	
27.	Pondicherry	
28.	Uttar Pradesh	
29.	Tamil Nadu	
30.	Uttaranchal	
31.	Rajasthan	
32.	Gujarat	
33.	Madhya Pradesh	
34.	Chhattisgarh	
35.	Jharkhand	

Measures to lessen loan burden of Government of Maharashtra

2822. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Government of Maharashtra has borrowed loan of around one lakh ten thousand crore rupees from various segments;

(b) if so, the details thereof; and

(c) the details of corrective steps suggested or proposed so far to the State Government of Maharashtra for lessening the loan amount in the next five years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) : (a) and (b) Maharashtra's outstanding liabilities for the year 2004-05 (BE) were Rs. 84114 crore (RBI). The details are enclosed in the Statement. (*See* below)

(c) Government of India swapped outstanding high cost (13% and above) Central debt of Rs. 15434.04 crore during 2002—05. Government of India has further accepted the recommendation of Twelfth Finance Commission (TFC) for debt consolidation and waiver of outstanding GoI debts. This Scheme, would benefit the Government of Maharashtra with lower interest of Rs. 1217.39 crore, lower repayment of Rs. 1133.12 crore and debt waiver of Rs. 1953.22 crore over the next five years *i.e.* 2005—10, if the State meets necessary conditions.